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## MEMORANDUM OF CONVERSATIONS

SUBJECT: Recorde Intelligence

1. At about 1020 on 10 May Dr. 1 of Dellet CeD to say that some time ago he was talking to Mr. EXO, OPG, about the problem of adding precision and pointedness to the work of OSO in the collection of economic intelligence, and to a high degree getting this collection on more of a case by case basis and about the med for guidance to 050 respecting its collection of sconcerc information. Dr. stated that in response to a petition to CRE for this guidance to 630, and of CRE, had called a conference for 1100 on 10 May. Dr. solicited or views respecting the problem. It was agreed that OFC and OSO had similar needs for laads as to targets and for support information as to background sirenmeteness surrounding particular phenomena and as to applicable 45 pelicies and as to prictive consideratione particular situations suggest. I caid, in effect, that I am highly enthusiastic that 450 is interested in developing more of a case by case treatment of calls tion and in securing sufficiently epocific information to permit working ascording to a schape of priorities. With respect to the mosting I stated that it seemed appropriate that I should attend. I reported the essence of this conversation to DS III and was advised I perhaps should advice the new liminon control officer (4. l) or Mr. Because of insufficient time I was unable to make this report befo the meeting.

Chief; Deputy thief, Division of Economics; and Manual Connects Review, Division of Economics; and Manual Chief, Finance and Foreign Trade Section, Economic Branch.

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3. Mr. Moreover presented his plan for general guidance which he felt should be forthcoming through CRE from interdepartmental work among representatives of the Munitions Round, NYMB, Departments of Commerce, State, etc., and GIL. He further asked for exectic guidance on commodities of all types and specific guidance in terms

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of categories and that to be supplemented by case problems. Dr. manual stated that he looked particularly to CRE for this specific guidance.

- 4. In the source of discussion I mentioned, particularly for the benefit of CRE experts, that I would like to invite them, when thinking on these problems, to consider the matters in terms of work in the field, either by OSO or by OFC, and to give thought to the appropriate character of specific orders which might properly go to field stations on economic matters.
- 5. There was considerable discussion of the degree of indisterminateness in expressions of national policy and of the lack of a clear coordinated organisation of objectives in the body of expressed national policy. Comment was made that the national policy can be found in a great many segments, some of which conflict with one another. Therefore, prepenents of one policy can site that their position is the national policy and proposents of a policy in some degree in senflict can truly hold their position as being n national policy of record. It was held self-evident that until we got something better in terms of a body of soordinated policy, meny elements of the U.S. Government will individually have to make their own decisions and expose them to correction. When no correction is forthcoming to proceed. Dr. Minist said, not having been guided externally for the past six years, 000 has made its own decisions to a great degree as to what it should callect. Exphasis was given guidance needed in the collection of economic information, particularly concerning the precurement of materials and goods by the USSR and satellites thought connected with stockpiling which presumably would reflect USSR intentions. The representatives of the Economics Division, call, agreed that USER expenditures for imports of materials showed the greatest proportion was for four commodities - rubber, cotton, tin and industrial dissends. Therefore, they assumed that, innerer as USER requires materials for strategic stockpiling for preparation for war, these 4 should get the most emphesis.

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- 6. Mr. expressed an interest in speaking further with
- 7. Dr. extended to me an invitation to seme-und speak with him at any time about any matter of mutual interest. I extended to him the invitation to show no hesitancy or reluctance to pass on to us any ideas he may have pertinent to our work.
- B. After returning from the mosting I spoke with both EXO and DEXO. I expressed the epinion that we should work with full openness respecting potential OFO sperations with those experts in the concerning operations pertaining to their particular fields of

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specialization - to be free to disclose to them possible specific operations we might have in mind. I recited how they had continued to react to our expressions of interest in, and need for, information by saying that they had the feeling that they could be of more help if a more contrete idea of what was being contemplated could be disclosed. EXO said he saw no reason why such as arrangement could not be made. DEXO suggested we use the new liminon control machanism to render such arrangements official. I propose to have written on the lisison control forms pertaining to economic work with specific individuals in this a statement it is planned to disclose to a specified degree our prespective intentions concerning operations pertinent to their particular fields of specialization. These forms will then be "put through channels," Lodgment in the Liaison Control Office without dejection will be taken as providing an officially approved arrangement of the character specified. Some potential operation, say, on machine tools, can then be discussed fully with the the expert on mashine tools once the limison control form to that effect is on file.

appropriate way for us to obtain cutouts by using the facilities of ORM. It is known generally that they prepare estimates and reports and have an interest in collecting information throughout the government. The OPC hand need not be shown. It would seem we have had opened to us quite a potential opportunity.

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